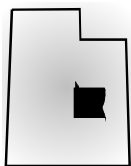


County Trends



Emery

March 2005

A Local Economic Perspective

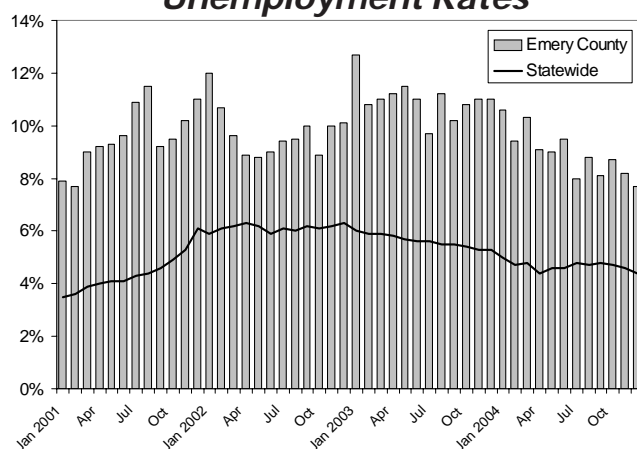
Coal Mining and Annexation Power Growth

Job growth in Emery County reached an astounding 11.1 percent in the third quarter of 2004. In accounting for this growth, two events -- one political, one economic -- must be considered separately. The first of these is the annexation of Grand County's portion of Green River City into Emery County. This had the result of inflating the county's employment numbers, even though the economy did not change. The other event, a real economic event, is the resurgence in coal mining activity. So, while the numbers have been politically skewed upwards, there are real improvements occurring in the local economy. Reflecting this, unemployment in the county fell to 7.7 percent in December 2004.

Mining Industry Wakes?

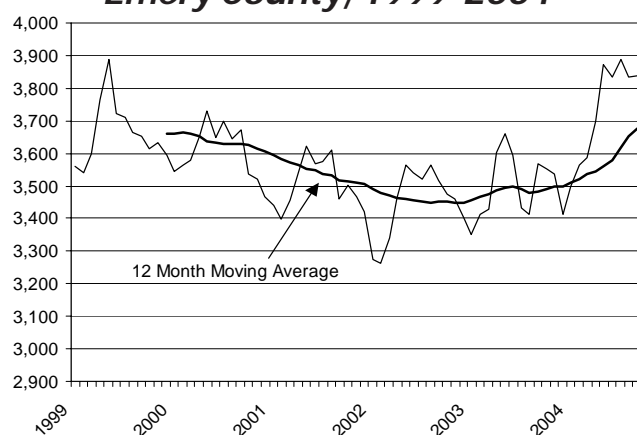
The 11.1 percent, year-over job growth in the third quarter of 2004 was helped by an increase in coal mining employment. Goods-producing industries, of which mining is one, saw a 4.2 percent increase in the number of jobs. The addition of 97 mining positions helped soften the blow of a 43-job decline in construction. Manufacturing employment also contracted, but only to the tune of nine jobs.

Seasonally Adjusted Emery County Unemployment Rates



Source: Utah Department of Workforce Services.

Monthly Nonfarm Employment in Emery County, 1999-2004



Source: Utah Department of Workforce Services.

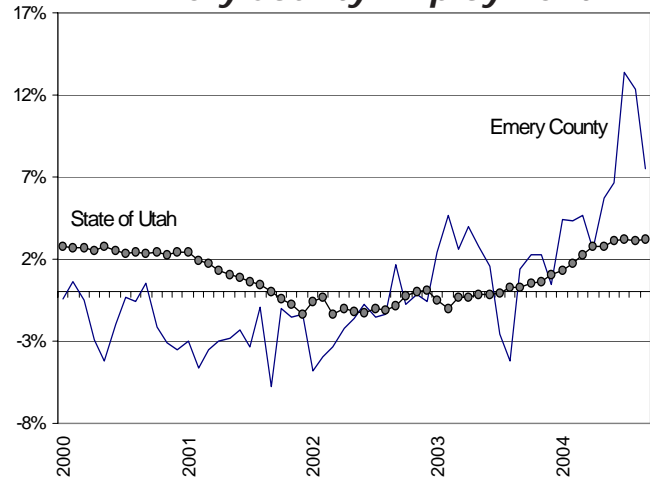




To the Point

"Officially," Emery County had a breakout year in 2004. Employment grew throughout the year and unemployment trended downward. Much of this renaissance is due to the annexation of Grand County's chunk of Green River City into Emery County. However, there is some real growth occurring in the county's coal mining industries. If this is sustained it will help the local economy in 2005.

Year-Over Change in Emery County Employment



Source: Utah Department of Workforce Services.

Growth in service-producing industries, mainly thanks to annexation, was the largest contributor to the county's job growth. Retail trade was up 92 jobs, with 61 of those coming from gasoline stations. Accommodations and food services both leapt upwards with the addition of firms from Green River City. Most of the additional service industries in the county posted small gains or losses, reflecting the underlying flat economic situation in the county. Government employment, which is a service industry, grew substantially, with a 122-job increase in local education playing the starring role.

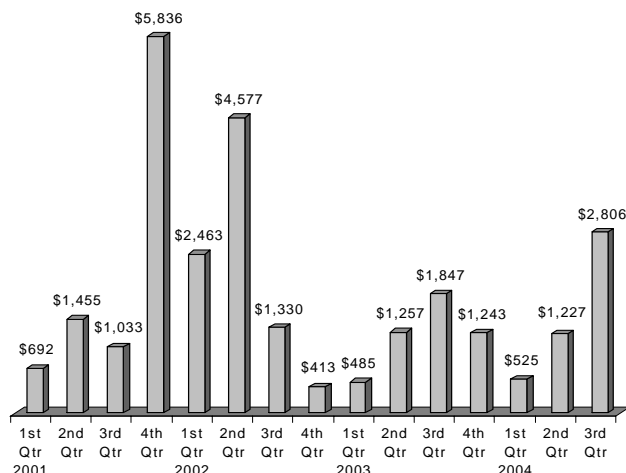
Non-Residential Construction Saves the Quarter

Construction activity, as measured by new permit valuation, was up roughly \$700,000 in the third quarter of 2004 over last year. This growth belies a weakening residential construction market. There were four fewer permits for new dwelling units in the quarter, pushing total new residential permit valuation down to just over \$1 million. Making up for this loss, non-residential construction valuation jumped noticeably, growing from \$540,000 to \$1.3 million.

Taxable Sales Jump Around

Year-over, gross taxable sales in the third quarter of 2004 grew by a solid 18.5 percent. This is based on

Emery County Total Construction Permit Valuation



(Thousands of dollars)

Source: Utah Bureau of Economic & Business Research.

current period numbers only, as an unusually large prior period adjustment skewed the county total for the quarter. Much of this growth fell under the rubric of business investment purchases. Investment in goods for manufacturing rose roughly 150 percent over the year. Construction investment purchases roughly doubled to \$1.7 million. Sales of wholesale durable goods also rose sharply, reaching \$3.3 million. The retail sector saw sales grow by 9 percent. However, that growth wasn't spread evenly as general merchandise and motor vehicle sales were up over last year. Purchases at food stores were down sharply. Roughly every service sector posted declines in the third quarter, with auto and repair services down roughly \$500,000.

Moving Forward...

Expect Emery County's job growth numbers to cool substantially in 2005, as new gains will be measured against the dramatic increases of 2004. Nevertheless, if coal mining activity stabilizes, that will provide additional economic impetus for growth in the service-producing industries.

Michael Hanni, Regional Economist
mhanni@utah.gov, 801-526-9403



Quick Facts

December 2004

Unemployment Rate

| | |
|--------------|------|
| Emery County | 7.7% |
| Utah | 4.5% |
| U.S. | 5.4% |

Sept. 2004 Change from Previous Year

Job Growth

| | |
|--------------|------|
| Emery County | 7.5% |
| Utah | 3.3% |
| U.S. | 1.4% |

3rd Qtr 2004 Change from Previous Year

Construction Values

| | |
|--------------|-------|
| Emery County | 32.0% |
|--------------|-------|

Sales

| | |
|--------------|-------|
| Emery County | 18.5% |
|--------------|-------|

Source: Utah Dept of Workforce Services,
Bureau of Labor Statistics,
Utah Tax Commission,
Bureau of Econ & Business Research.

For more economic information about Emery County see:
<http://jobs.utah.gov/wi/Regions/County.asp>

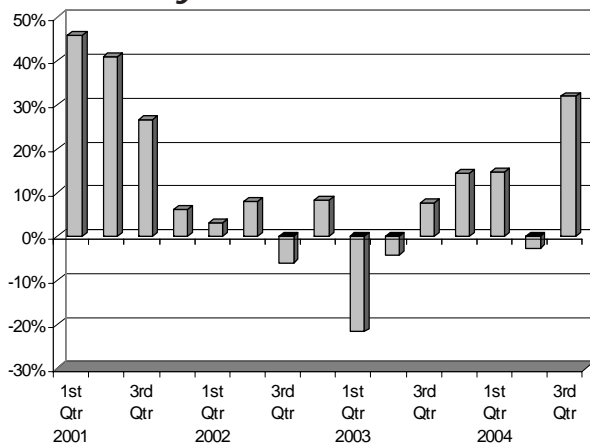
State of Utah

Utah Department of Workforce Services

140 East 300 South
PO Box 45249
Salt Lake City, UT 84145-0249

ADDRESS SERVICE REQUESTED

Year-Over Change in Emery County Gross Taxable Sales



Source: Utah Tax Commission.

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.



03-13EE-0305

Equal Opportunity Employment Program

Auxiliary aids and services are available upon request to individuals with disabilities. Call (801) 526-9240. Individuals with speech and/or hearing impairments may call the state relay at 1-800-346-4128

What's Up? 4

- The U.S. Department of Agriculture — Rural Development has provided a \$198,000 "value added producer grant" to Living Utah to spearhead a beef marketing project to increase profits to independent cattle ranchers in central Utah. Currently, about 75 ranchers from Carbon, Emery, Garfield and Wayne counties are participating in the project. The USDA funds will be used with matching funds of \$294,500 to do market research, develop a marketing and business plan and assess project feasibility.

For more economic events, see:

<http://jobs.utah.gov/wi/Regions/eastern/emery/emeryee.pdf>

